

TO: Assessing Officers
FROM: State Tax Commission

No. 1 - January 10, 1986
Commercial Facilities
Extension of Certificate

STATE OF MICHIGAN

FRANK J. KELLEY, ATTORNEY GENERAL.

COMMERCIAL REDEVELOPMENT
DISTRICTS:

Extension of term of commercial
facilities exemption certificate

MUNICIPALITIES:

Authority to extend term of a commercial
facilities exemption certificate

A city may extend the term of a commercial facilities exemption certificate for a period not to exceed twelve years after the completion of the facility based upon factors, criteria, and objectives placed in writing and approved at the time the exemption certificate was approved by the municipality.

Opinion No. 6127

Honorable Frederick Dillingham
Representative
The Capitol
Lansing, MI 48909

DEC 18 1985 State

Citing the Commercial Redevelopment Act, MCL 207.651 et seq. MSA 7.800(511 et seq. hereafter the Act, you have asked for my opinion regarding that Act which:

'allows local governments to grant tax abatement for the construction or rehabilitation of commercial projects. The Brighton City Council is currently revamping its guidelines regarding the granting of these tax abatements and asks the following. Does the Council have the option to grant an exemption for a specific period of time, say three years, and at the end of that three-year period review the project and make a determination as to whether additional years of tax abatement should be granted"

MCL 207.659; MSA 7.800(59), was amended by 1984 PA 342 to permit the legislative body of a governmental unit where a commercial facilities exemption certificate has been granted to review and extend such certificate where a certificate has been issued for less than the maximum twelve years. The procedures for such review and extension are set forth in subsections (2) and (3):

"(2)...The certificate may be issued for a period of at least 1 year. but not to exceed 12 years. If the number of years determined is less than 12, the certificate may be subject to review by the legislative body of the local governmental unit and the certificate may be extended. The total amount of time determined for the certificate including any extensions shall not exceed 12 years after the completion of the facility....

"(3) If the number of years determined by the legislative body of the local governmental unit for the period a certificate remains in force is less than 12 years, the review of the certificate for the purpose of determining an extension shall be

based upon factors, criteria and objectives that shall be placed in writing, approved at the time the certificate is approved by the legislative body of the local governmental unit and sent to the applicant and commission."

It is noted that MCL 207.669; MESA 7.800(68), provides,

'A new exemption shall not be granted under this act after December 31, 1985, but an exemption then in effect shall continue until the expiration of the exemption certificate."

In answer to your question, it is my opinion that a city is authorized by the Commercial Redevelopment Act to review and, based upon factors, criteria and objectives placed in writing and approved by the legislative body at the time the exemption certificate is approved, extend up to the maximum of twelve years after completion of the facility a commercial facilities exemption certificate which grants tax abatement for the construction or rehabilitation of commercial projects provided that the procedure set forth in the Act are followed.

FRANK J. KELLEY Attorney General